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ABSTRACT

This booklet provides an overview of the labor market problems facing Indians and Native Americans, the most economically disadvantaged ethnic group in the United States. It summarizes Indian policy, particularly major policies and laws that relate to early trade restrictions and the exploitation of Indians through trade; their forced removal from their land; establishment of the reservation system, land allotments, and assimilation; termination and relocation policy; and the more recent policies of self-determination. Discussion considers Indian population and labor force estimates and examines barriers to Indian employment. Lack of jobs on or near reservations is the greatest problem, but poor education and training, inadequate English language capability, tribal ties to the reservation, a culture that is not job-oriented, and poor housing and health conditions, and inadequate transportation are also cited. There are many federal programs for Indians, ranging from housing assistance, to health and transportation services, to education and training for jobs. A number of these programs are listed. But the report suggests that a high degree of overlap and fragmentation of federal programs hampers their effectiveness among Indians. Coordination of federal programs and further federal research, especially on effectiveness of JTPA programs, are recommended. This report contains 25 references. (DHP)

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AN OVERVIEW OF THE LABOR MARKET PROBLEMS OF INDIANS AND NATIVE AMERICANS

Robert G. Ainsworth

Research Report No. 89-02

January 1989

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National Commission for Employment Policy
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AN OVERVIEW OF THE LABOR MARKET PROBLEMS OF INDIANS AND NATIVE AMERICANS

I. Introduction

On January 24, 1983, President Ronald Reagan issued the Administration's American Indian Policy Statement. His comprehensive policy declaration reaffirmed the government-to-government relationship of Indian tribes with the United States, recognized the primary role of tribal governments in reservation affairs, and called for special efforts to develop reservation economies. (Presidential Commission on Indian Reservation Economies, 1984)

This paper provides an overview of the labor market problems facing Indians and Native Americans, the most economically disadvantaged ethnic group in this country. Its focus is primarily on Indians on or near reservations (the Bureau of Indian Affairs' service population) and rural and urbanized non-reservation Indians who may have

problems no less pressing than those on reservations. This report is based primarily on a review of the literature but is also supplemented with information obtained from interviews with individuals concerned with the plight of the American Indian.*

Just as blacks, Hispanics, and other target groups have their own special labor market difficulties and have been found to differ in the services they require, so too do Indians and other Native Americans.

This report was prepared as background information for a future meeting of the National Commission for Employment Policy which will partially focus on the employment and training needs of Indians.

The next section, presents a brief history of U.S. Indian policy. Section III, "Scope of the Problem", presents Indian population and labor force estimates, the socio-economic problems they face, as well as a discussion of target group definitions and data problems. A summary of federal job-related programs available to Indians is presented in Section IV. Section V contains the summary, conclusions, and recommendations.

II. History of U.S. Indian Policy **

During the 1600's tribes of North America's east coast were the first to experience the impact of European colonialism. From the beginning, differences in attitudes, patterns of life, conception of land ownership and material culture were never resolved. Many tribes were decimated through war and disease and millions of acres of Indian territory were lost to the colonists.

By the mid-1700's, the United States was forming into an independent small nation fearful of external threats, which included Indian tribes. Aware that tribes had the ability to make war, the government, for its security, recognized Indian tribes as sovereign independent nations and, for their mutual benefit, sought agreements concerning war, land and trade through treaties.

A complete review of U.S. policies and laws related to Indians is beyond the scope of this paper. Following, however, is a summary of the major policies and laws which relate to the early trade restrictions and the exploitation of Indians through trade; the forced removal of them from their land; the es-

* The term "Indian" or "American Indian," includes Indians, Eskimos, and Aleuts.

** Except where noted, this section is based primarily on Report and Recommendations to the President of the United States, by the Presidential Commission on Indian Reservation Economies, 1984; and "Source Document of Urban American Indians and Alaska Natives," by the National Urban Indian Council, 1985.

tablishment of the reservation system; land allotments and assimilation; termination and relocation policy; and the more recent policies pronounced by Presidents Nixon and Reagan of self-determination, self-government, and economic development.

Trade Restrictions

Early policy positions of the United States limited relations between Indians and non-Indians by regulating and restricting trade. The Northwest Ordinance of 1787 establish a framework for settlement beyond the Alleghenies by asserting that Indian "land and property shall never be taken from them without their consent" and that they would not be invaded except in lawful wars authorized by Congress. Article 1, Section 8 of the U.S. Constitution gave the Congress the power "to regulate commerce with foreign nations, and among the several states, and with Indian tribes." (Presidential Commission on Indian Reservation Economies, 1984, p. 4) Several acts relating to trade restrictions were passed during the period from 1790 to 1834. Despite these trade restrictions, exploitation of Indians through trade was one of the major causes of conflict between Indians and non-Indians on the western frontier.

Forced Removal

When trade restrictions proved ineffective in maintaining peaceful relations between Indians and their neighbors, proposals for removing the Indians to unsettled lands west of the Mississippi River began to surface. Under the Administration of Andrew Jackson, Congress passed the Indian Removal Act of 1830, which provided for the systematic and sometimes forced removal of Indians from southeastern states to the wilderness west of the Mississippi. The policy behind the removal act was not only to make vast areas of land available for settlement, but to solve the problem of conflict of authority caused by the presence of Indian nations within state boundaries. As a result of removal policies, roughly 100,000 Indians were resettled. A major problem with this policy was that Indians could not be removed far enough or fast enough to stay out of the path of the advancing settlers.

Reservations

As lands used for the railroad, homesteaders and gold prospectors increased and the settlers continued westward, another form of removal was incorporated into treaties made with tribes -- the establishment of reservations. In the late 1860's the Indian Peace Commission negotiated the last of the 370 treaties made between tribes and the United States. These treaties required tribes of the upper great plains, the southwest and the northwest to settle on various reservations.

According to the Presidential Commission on Indian Reservation Economies, the reservation system, even for those Indians who acquiesced to it, contained many destructive elements. "It made Indians wards of the federal government. Traditional leaders of the tribe were by-

passed and made ineffective. The possibility and the need for providing their own food, clothing and shelter was taken from the reservation Indians." While there were some efforts of "reservation development," no significant system of economic and cultural protection was created to allow ... tribes to achieve economic viability and independence. "There was also forced breakdown of tribal traditions and religious practices." (p. 5)

Land Allotment/Assimilation

After the process of placing Indians on reservations had been completed, policy shifted to encouraging their assimilation into society at large, which, it was hoped, would allow the eventual termination of special federal programs and trust relations. Indians on reservations were encouraged and sometimes forced to abandon tribal traditions, and an educational system aiming to instill white values was developed. (Levitan and Johnson, 1975) In 1887 the General Allotment Act (Dawes Act) was passed. The intent of the Act was to break up tribal land holdings and allot plots up to 160 acres to Indian families or individuals. It was hoped that these Indian farmers would develop the self-sufficiency to grow out of their dependent federal status and eventually assimilate into the larger community. (Levitan and Johnson, 1975) Subsequent allotment acts also offered citizenship status with the acquisition of land as an incentive to get Indians to participate in the allotment process. Some Indians became citizens this way, but it was not until 1924, when Congress passed the Indian Citizenship Act, that U.S. citizenship was conferred upon all Indians and Alaska Natives.

In the nearly 50 years of the allotment period, Indian land holdings were reduced from more than 136 million acres in 1887 to less than 50 million acres in 1934, when the policy was finally abandoned.

The 1928 Meriam Report, "Problems of Indian Administration", contained the following appraisal of allotment policy:

> When the government adopted the policy of individual ownership of the land on the reservations, the expectation was that the Indians would become farmers ... as if the government assumed that some magic in individual ownership of property would in itself prove an educational, civilizing factor, but unforunately this policy has for the most part operated in the opposite direction. Individual ownership, in many instances, permitted Indians to sell their allotments and to live for a time on the unearned income resulting from the sale. (As quoted in the report of the Presidential Commission on Indian Reservation Economies, 1984, p. 5)

According to the 1984 Presidential Commission, "part of the motivation for such land sales lay in the lack of capital by the Indians so that they could farm the

land or acquire livestock for ranching or mixed farming. In order to survive, many allottees were forced to sell their lands." (p. 5)

Revival of Tribal Organizations

After the issuance of the federally commissioned Meriam Report, which was sharply critical of Indian policies, Congress passed the Wheeler-Howard Indian Reorganization Act in 1934. This act ended allotment and encouraged the economic and social development of reservations. It also provided for the improvement of Indian education and the reestablishment of Indian self-government.

Termination/Relocation

American Indians suffered severe hardships during the great depression of the 1930's. Economic conditions which devastated much of the country at that time had even more damaging effects upon already depressed reservations and its people. Work relief programs for Indians in such areas as conservation, road work, and the building trades were initiated by the government on and near reservations.

During World War II, thousands of Indians left the reservations to work in defense plants or joined the armed forces where many learned trades. After the war, when Indians returned to their reservations, they found dire economic conditions, neglected reservation development, and little hope of finding employment for the skills they had acquired. As a result, some Indians moved back to urban areas to find employment.

Meanwhile, the federal policy of assimilation manifested itself in a different way. According to the American Indian Policy Review Commission's final report of 1977, a theory that reservations were overpopulated gained acceptance. By 1954, a Congressional report entitled Survey Report on the BIA, generalized that most of the reservations were overpopulated and unable to support the population at an adequate standard of living. As a result, the government initiated relocation programs to thin out the population.

Thus rather than seeking a way to make reservations financially secure places to live, the federal government chose to follow "a simpler approach to population/resource imbalance -- relocation of Indians away from the reservations. Thinning out the populations of the reservations, however, did not solve the reservation's economic problems." (Presidential Commission on Indian Reservation Economies, 1984, p. 6)

Efforts by the federal government in the 1950's to relocate Indians away from the reservations coincided with termination policy, that is, with efforts to terminate the special federal relationship of tribes with the United States.

Termination policy culminated in 1953 with the passage of a congressional resolution that declared that termination was the official federal policy. This

resolution stated that it was the policy of Congress "to make the Indians .. subject to the same laws and entitled to the same privilages and responsibilities as are acceptable to other citizens." (Presidential Commission on Indian Reservation Economies, 1984, p. 6) Subsequent termination acts passed between 1954 and 1962 terminated 109 Indian tribes, bands and rancherias.

Toward Self-Determination, Self-Government and Economic Development

By the early 1960's, the policy of termination had again been discredited due to protests from both Indians, who preferred to remain separate political entities, and others, who argued that Indians were not ready for complete independence. (Levitan and Johnson, 1975) Federal legislation between 1973 and 1980 restored six of the terminated tribes and four of the California bands to federally recognized status. The 1984 Commission report concluded that "as had been the case with prior national Indian policies, termination policy failed in its attempt to come to grips with the problems facing American Indians." (p. 6)

Also in the 1960's tribal groups, like other minority groups, began assuming a more active role in their socio-economic programs and in the shaping and implementation of federal governmental programs. Administrations from Kennedy's to Nixon's enunciated policies at developing human and natural resources on the reservations, while allowing Indians to control and administer federal assistance programs. Under the banner of self-determination, Indians were encouraged to develop their tribal resources and governments free from the threat of termination of their special federal status.

It was the Indians' increased participation and involvement in matters affecting their communities that stimulated the announcement in 1970 of a new policy of self-determination by President Richard Nixon. President Nixon's policy statement said: "The time has come to break decisively with the past and to create the conditions for a new era in which the Indian future is determined by Indian acts and Indian decisions." (Presidential Commission on Indian Reservation Economies, 1984, p. 6)

The policy rejected both the termination policy and government paternalism, going on to say: "We must assure the Indian that he can assume control of his own life without being separated involuntarily from the tribal group. And we must make it clear that Indians can become independent of federal control without being cut off from federal concern and federal support." (Presidential Commission on Reservation Economies, 1984, p. 7)

This policy was enacted into law through passage of the Indian Self-Determination and Education Assistance Act of 1975.

President Reagan, in his January 1983 American Indian policy statement, endorsed the concept of self-determination, indicated that there had been more rhetoric than action in its implementation, and initiated a process to give it meaning. His statement pointed out that instead of ecouraging self-government, federal policies have inhibited the economic development of the tribes. Excessive regulation and self-perpetuating bureaucracy have stifled local decision making, as well as Indian control of their resources and has promoted dependency rather than self-sufficiency.

In 1983 President Reagan established the Presidential Commission on Indian Reservation Economies. The functions of the Commission were to be as follows:

- Advise the President on what actions should be taken to develop a stronger private sector on federally recognized reservations, lessen tribal dependence on federal monies and programs, and reduce the federal presence in Indian affairs.
- Define the existing federal legislative, regulatory and procedural obstacles to the creation of positive economic environments on reservations.
- Identify and recommend changes or other remedial actions necessary to remove these obstacles.
- Define the obstacles at the state, local and tribal government levels which impede private sector investments on reservations.
- Identify actions which these levels of government could take to rectify the identified problems.
- Recommend ways for the private sector, both Indian and non-Indian, to participate in the development and growth of reservation economies, including capital formation.

The Commission submitted its report entitled, Report and Recommendations to the President of the United States in November 1984. The Commission made five sets of recommendations on the following subjects: Development Framework, Capital Formation, Business Development, Labor Markets and Development Incentives.

The report makes only four recommendations with respect to labor markets, one each concerning wage rate regulation, labor relations, right to work, and training.

III. The Scope of the Problem

Target Group Definitions and Data Problems

The target group that is the subject of this paper is American Indians and other Native Americans, including Aleuts and

Eskimos. Before examining the socio-economic characteristics of this target group the reader should be mindful that studies of this population group have been hindered by the gaps and inaccuracies in statistical data that could be the basis for charting conditions, planning programs, and measuring progress in Indian affairs. The basic reason for the unreliability of the data, according to several studies, is that no clear cut, generally accepted definition of "Indian" exists.

The federal government, state governments, and the Census Bureau all have different criteria for identifying a person as an Indian. Also, federal criteria are inconsistent from one agency to another. For example, according to a report of the Bureau of Labor Statistics (Ayres, 1978), a state that seeks federal financial help for the education of Indians receives it only for the people in its program who can prove at least one-quarter Indian blood. However, to receive preference in hiring as an Indian, enrollment records from a federally recognized tribe have been required.

State criteria for deciding who is or who is not an Indian have been even less consistent. Some states have accepted self-declaration; others counted individuals as Indians if they were "recognized in the community" as such, and still others used residence on an Indian reservation as a criteria. The result of this is that data that lack comparability cannot be combined.

The difficulty of Indian data collection is further compounded by the fragmented jurisdiction over Indians. There is, at present, no central clearing house for the data. Health services, agricultural and other developmental assistance, business loans, housing aid and other programs -- although all directed to Indians -- are handled by different government agencies. Thus, what statistics there are that might reflect the Indian condition are scattered.

Despite the imperfections in data on Indians, several studies of various aspects of the plight of the American Indian contain a wealth of information. Most notable among them is the 1977 report of the American Indian Policy Review Commission, established by the Congress, which, itself, devoted several pages to the data and definitional problems.

Because statistics on American Indians are not always accurate or up-to-date, the true extent of their unemployment and poverty is unknown. In addition, it is impossible to establish clearly whether programs directed toward improving their well being are having significant success.

In its 1977 report the American Indian Policy Review Commission states that the size of the Bureau of Indian Affairs unemployment statistics are "based on, at best, arbitrary criteria; at worst, impressionistic judgements by local agency personnel ... The agency does not take a household survey to establish these

figures but merely adjusts the previous year's figures to reflect any changes it thinks may have occurred." (Ayres, 1978, p. 25)

A major difficulty with the available data is the two agencies that report labor force data on Indians use different definitions of unemployment. The Census Bureau in its decennial census defines an unemployed person as one who was a civilian 16 years and over, who has been seeking work within the four weeks preceeding the interview, and who was available to accept a job, while the Bureau of Indian Affairs also includes persons who are not seeking work but are employable. As a result, the Bureau of Indian Affairs' figures show a larger labor force and higher rates of unemployment. They justify their definition by the nature of the job search on the reservation, where there is almost perfect job information.

The Indian unemployment rates based upon Bureau of Census did not satisfy the American Indian Policy Review Commission (AIPRC) because, according to the census definition, only those civilian persons who have actively sought employment and are available to accept a job are included as unemployed. The AIPRC contends that since a reservation generally offers few jobs, many persons do not actively seek what does not exist, and therefore do not show up in the unemployment figures.

The AIPRC suspects that the census figures are underestimates, the BIA figures are overestimates, and the truth lies somewhere in between. As a result, they recommended that the 1980 census questions on unemployment be adapted to the situation of American Indians. (Ayres, 1978, p. 25)

Socio-economic Characteristics

According to the 1980 census, the total U.S. Indian population, was 1,423,000. About 340,000 of these reside on federal reservations. The remaining 1,083,000 Indians reside off federal reservations.* (U.S. Bureau of Census, PC80-S1-13, 1980, p. 2, Table B.)

In January 1987, the Bureau of Indian Affairs (BIA) estimated that 862,000 American Indians and Alaskan Natives (the BIA's service population) lived "on or near" reservations, trust lands, or Native villages. (Bureau of Indian Affairs, 1987) The principle difference between the Census Bureau and the BIA estimates, other than the date the counts were made, is that the BIA included most of the population in Oklahoma which did not live on reservations, but did live "on or near" trust lands. (Presidential Commission on Indian Reservation Economies, 1984, p. 81)

* Off-reservation Indians include: 30,000 on tribal trust lands; 116,000 on historic areas of Oklahoma (excluding urbanized areas); 39,000 on identified Alaska Native Villages; and 897,000 outside identified areas in the 1980 census.

According to the BIA's January 1987 estimates, the states with the largest number of Indians living on or adjacent to reservations are Oklahoma (192,000) and Arizona (163,000). The largest reservations in terms of population are the Navajo Reservation located in parts of Arizona, New Mexico, and Utah (110,600); Osage Reservation, Oklahoma (39,000), and the XL Ranch Reservation, California (25,000). By contrast, the Alaska Native Villages are small; the most populous being Bethel (3,600), Barrow (2,200), and Kotzebue (2,100).

The unemployment rate for Indians was estimated by the Bureau of Indian Affairs to be in the 38-48 percent range in January 1987.* The BIA now publishes two rates (one for those seeking work and one for those not seeking work) because of basic problems with gathering statistics on reservations. To quote the BIA: "First, it is difficult to estimate intent in relation to 'seeking work' in the absence of household surveys, which are seldom available because of prohibitive cost. Second, in the isolated rural areas typical of reservations, people do not actively seek work when the whole community knows that there are no jobs available, so that if jobs were available, the unemployment rate would be somewhere between the two measures given here (38% and 48%)". (Bureau of Indian Affairs, 1987, p. 3)

Over seventy percent of the total Indian population currently resides in off-reservation rural and urban areas of the U.S. For this group employment opportunities are scarce with unemployment running from 40 to 60 percent. (National Urban Indian Council, 1985) Among the reasons for their difficulty in finding employment off the reservation is their lack of English language capability and inadequate vocational training. It is the contention of the National Urban Indian Council (NUIC) that the needs of those off the reservation are just as urgent as those on reservations and may be greater because they have left traditional support systems of family and tribe behind.

Reservations are not uniform in their economic and social characteristics. It is a commonplace observation in the literature that the Indians of no two reservations are alike. What many of them have in common, however, is instructive in explaining the high rates of unemployment they experience.

- The greatest barrier to employment on reservations, many of which are economically depressed areas, is a lack of jobs. In addition to the critical job shortage on and around most reservations, Indians are usually not prepared for the few jobs that are available because of lack of training, education, and English language

* This is the most recent BIA estimate. BIA publishes its labor force estimates every two years.

capabilities. (Levitan and Hetrick, 1971)

- The education and training of Indians lag far behind averages for non-Indians. One of the basic requirements for economic success, English language capability, is lacked by many. The lack of education has limited them to jobs that require little skill or training. Moreover, low educational attainment has discouraged many from leaving the reservation because they believe they cannot effectively compete for jobs with better educated non-Indians.

- Tribal ties are strong and the Indians' emotional feeling about their ancestral land is deep and compelling. Its possession gives them a sense of security wholly unrelated to the land's present or prospective economic value. This psychological fact, which has its counterpart in other non-Indian depressed areas, helps to explain why a population greater than the size the land can support remains on the reservations. Indian families living on or near reservations have average incomes only two-fifths as large as the typical American family, but must stretch this income to raise an average of twice as many children (Levitan, 1985).

- Indian cultures are not job oriented. They understand running livestock, but have not had a strong tradition in farming, much less in industrial or commercial employment. Most children grow up in families where their elders have never had regular employment, have not thought in terms of reporting for work each morning or even of rising at a regular hour. Wage work, when available, is accepted as a means of providing for the family's immediate needs.

- Indians suffer from poor housing and health conditions, and inadequate transportation. Housing conditions are far below the national average in terms of plumbing, being overcrowded, and in need of replacement, renovation, or new units. Their general health is below that of the national average. The lack of water, sewer, and sanitation facilities on reservations is a primary cause of many diseases. Also, in many parts of the U.S. they live in

remote areas where there are either no roads or poorly maintained roads and a lack of public transportation to take them to medical facilities or employment opportunities.

In summary, although the true extent of Indian unemployment is unknown it is extremely high, perhaps in the 40-50 percent range both on and off the reservation.* The reasons for this are: (1) a critical shortage of jobs on reservations; (2) a lack of the nesessary education and skills to compete in the labor market, including English language capability; (3) Indians' reluctance or inability to leave reservation lands which, for the most part, are unfit for farming and lack the natural resources to support economic development; (4) cultures that are not job oriented; and (5) Indians' poor health and inadequate transportation on some reservations.

IV. Federal Job-Related Programs Available to Indians

To develop the economic potential of the reservation and to ease the burden of adjustment for those who want to relocate, the federal government provides a wide variety of assistance programs. The purpose of this section is to review the major federal job-related programs available to Indians.

The trust responsibility of the United States to Indian people includes the obligation "to protect and enhance Indian lands, resources, and tribal self-government." (American Indian Policy Review Commission, 1977, p. 247) The Department of Interior's Bureau of Indian Affairs is the primary agency for insuring that the necessary services are provided. The trust, however, is not only a matter of concern for the Bureau, but extends to the federal government as a whole.

Indians are entitled to federal services in two ways. First, as citizens of the U.S., they are entitled to programs and services as any other U.S. citizen. Secondly, on the basis of treaties and statutes, they are provided special federal programs and services as part of the legal obligation of the United States in executing its trust responsibilities to Indian people. However, in spite of the dual entitlement Indians have to federal services, many non-reservation Indians are not receiving the services available to other

* The Census Bureau estimated that 13 percent of civilian Indians aged 16 and over were unemployed in 1980. (U.S. Bureau of the Census, PC80-1-C1, 1980, Table 124.) According to many researchers, this considerably understated the problem since only those who were actively seeking work and available to accept a job were counted as unemployed if they did not hold jobs in the week preceding the census. Because jobs are scarce on or near reservations, many Indians are not seeking work even if they would welcome employment.

citizens of the U.S. Many state and local service providers take the position that they are the wards of the federal government and its reservation system and refuse to provide them with needed services.

The usual complaint of researchers about the inadequacy of data is also applicable to an evaluation of federal Indian programs. No reliable recent estimates are available on the total price tag that can be attached to the federal government's efforts on behalf of the original Americans. The most recent effort to estimate the total dollars spent for federal Indian domestic assistance was made by the Presidential Commission on Indian Reservation Economies and published in their report of November 1984. According to the report, approximately $2.7 billion was budgeted for programs in FY 84 but not all agencies reported their expenditures and programs to the Commission.

The most recent source that catalogues federal programs for this target group is Federal Programs of Assistance to American Indians, published in 1981 at the request of William S. Cohen, chairman of the Senate Select Committe on Indian Affairs. The report, prepared by the Congressional Research Service, identifies 12 cabinet-level departments and several agencies and foundations which have programs affecting Indian people.

The major departments with multiple programs that specifically serve or are of particular interest to Indians are: Interior, Education, Health and Human Services, Agriculture, Housing and Urban Development, and Commerce. The Departments of Labor, Transportation, Treasury, State, and Defense also have programs of importance. In addition, the Department of Justice handles most of the legal problems affecting Indian rights.

Among the job-related programs offered in these departments are the following:

Department of Agriculture

The main Department of Agriculture program designed exclusively for their use is the Indian Land Acquisition Loan Program of the Farmers Home Administration (FmHA). Under this program, insured loans are made available to tribes and tribal corporations to enable tribes to acquire land within tribal reservations and Alaska community boundries for purposes beneficial to the tribe or its members. Purposes may include housing, agriculture, recreation, economic or others as approved by the FmHA National Office.

FmHA may also make loans to tribes, tribal corporations or individual Native Americans for purposes eligible under other programs. These programs range in purpose from agriculture, housing, water and waste disposal, and community facility to business development.

Department of Commerce

The Department of Commerce Economic Development Administration provides assistance, primarily in plan-

ning and technical assistance and funding, to construct public works and development facilities that contribute to economic development of depressed areas. Also, the Minority Business Development Administration promotes the creation and expansion of minority business enterprises (Indians, in this case) through Indian Business Development Centers and one Indian business consulting project.

Department of Education

The Department of Education administers five programs authorized by the Indian Education Act.

- The Grants to Local Education Agencies program provides financial assistance to local education agencies and tribally controlled schools to develop and implement elementary and secondary school programs to meet the special educational and culturally related academic needs of Indian children.

- Indian Education-Special Programs and Projects provide for the planning, development and implementation of projects for improving educational opportunities for children, including gifted and talented children.

- Adult Indian Education programs are aimed at decreasing the rate of illiteracy, increasing the mastery of basic skills, increasing the number who earn high school equivalency diplomas, and encouraging the development of programs relevant to their culture and heritage.

- The Grants to Indian Controlled Schools program provides assistance to plan and establish Indian-controlled schools, and to support enrichment projects to meet the special education and culturally related academic needs of children enrolled in elementary and secondary schools.

- The Education-Fellowship for Indian Students program provides support which enables Indians to study for careers in medicine, law, engineering, natural resources, business administration, education and related fields.

The Indian Education Act also authorizes contracts with five regional resource and evaluation centers for technical assistance to grantees under the Act.

Two additional programs are administered by the Department:

- Under the Carl D. Perkins Vocational Education Act of 1984, the Indian Vocational Education program provides funding for programs of basic and related education, GED preparation, vocational skill training, counseling and support services, and placement for youth and adults.

- Under the authority of the Bilingual Education Act, Title VII of the Elementary and Secondary Education Act of 1965, the Office of Bilingual Education and Minority Languages Affairs-(OBEMLA) program activities are directed at all elementary and secondary levels, including, the pre-school, elementary, middle school, and high school levels to meet the educational needs of children of limited English proficiency (including Indians) to help them achieve competence in English.

Department of Interior

The Department of Interior's Bureau of Indian Affairs offers a large array of programs several of which are employment oriented. These include:

- The Education-Adults program which provides general instruction for adults in literacy and high school equivalency and other education and training to obtain employment status.

- The Education-Federal Schools (Indian Schools) program offering educational opportunities in the form of training assistance for children who do not have public education opportunities to meet their needs.

- The Indian Education-Colleges and Universities (Higher Education) program provides individual grants for tuition and other expenses to encourage students to continue their education and training beyond high school.

- The Indian Education-Assistance to Schools (Johnson-O'Malley Educational Assistance) program provides supplemental education to meet the special educationally related needs of students attending public schools and tribally operated schools.

- Financial Assistance for Economic Development Projects to assist Indian tribes and individuals in their efforts to expand their own businesses and move toward economic self-sufficiency are provided through three programs: Indian Revolving Loan Fund; Loan Guaranty Fund; Indian Business Development Grant Program.

- The Indian Revolving Loan Fund, as prescribed by the Indian Financing Act of 1974 and its 1984 Amendments, is used to make direct loans to Indian tribes, organizations and individuals for the financing of economic enterprises which will contribute to the economy of the reservation.

- The Indian Loan Guaranty Fund is used to finance Indian-owned, commercial, industrial, agricultural or business activity organized for profit, provided that Indian ownership constitutes not less than 51 percent of the business. These

loans must benefit the economy of an Indian reservation.

- Under the Indian Business Development Grant Program, non-reimbursable grants are available as equity capital for Indian entrepreneurs to establish and increase profit-making business ventures and employment on or near federal reservations.

- The Employment Assistance program provides (1) direct employment assistance and (2) adult vocational training. Direct employment assistance services, including job referrals, subsistance allowances and counseling, are provided to members of federally recognized tribes who have an employable skill. The adult vocational training component of the employment assistance program offers services to members of federally recognized Indian tribes who need to have a vocational skill to become employable. Services include counseling, referral to state Employment Service offices for testing, and referal to training. Subsistance, tuition and training cost are paid by the Bureau. Upon completion of training persons receive direct job referrals.

Department of Labor

The Department of Labor administered Job Training Partnership Act (JTPA) provides for national programs of employment and training for Native Americans, including American Indians and Alaskan and Hawaiian natives under Title IV-A. Funds are distributed to Indian tribes, bands, or groups on state or federal reservations, Oklahoma Indians, Alaska native villages, and other organizations that the Secretary of Labor determines represents the interest of Native Americans. Under the Act, the Secretary is also required to make appropriate arrangements to provide employment and training to non-reservation Indians.

The Secretary is charged with the responsibility of managing JTPA programs in a manner that supports growth and development as determined by representatives of the group served and with providing technical assistance. Recipients of funds must also establish performance goals which shall, to the extent required by the Secretary, comply with the standards established by the Secretary for programs funded under Title II-A for economically disadvantaged youth and adults.

The Act provides that 3.3 percent of the amount available for JTPA Title II-A programs be allocated to Native American programs (Title IV-A), although actual appropriations have sometimes exceeded this amount. (Levitan and Gallo, 1988) In PY 1987, this amounted to $61.5 million, which served about 34,000. Indian grantees in selected areas also share in the distribution of summer youth employment funds (Title II-B), and received $11.6 million which served 13,000 in 1988. In addition, ap-

proximately 11,800 Indians have been served in JTPA adult and youth programs (Title II-A), 2,200 in the Job Corps (Title IV-B), and almost 700 in JTPA (Title III) dislocated worker programs.*

Services provided Indians under the Act include: classroom training, on-the-job training (OJTC), work experience, supportive services, participation in community service employment, and training assistance. Training assistance includes orientation to the world of work, counseling and testing, job development, job search assistance, job referral and placement, and vocational exploration programs.

Findings from a study commissioned by the Department of Labor to evaluate Native American Program grantees (a sample of 30) indicated that "environmental" factors, notably the state of the economy in general and in particular the reservation economy, affected program outcomes. The lack of available private sector jobs on reservations is a major difficulty for all reservation training programs. (National Commission for Employment Policy, 1987)

Program Coordination

The most recent study to address the degree of coordination among federal programs for Indians was the 1984 report of the Presidential Commission on Indian Reservation Economies which found that there was a "high degree of overlap and fragmentation." (p. 61) The report points out that the structure and categorized nature of federal programming makes it difficult for program recipients to succeed. Specifically, different program goals, policies, regulations, procedures, reporting requirements, and funding and lending cycles make coordinated use by tribes of federal resources virtually impossible.

The report also found that compliance rather than profitability has been the criterion of success for federally funded projects. Because federal agencies do not coordinate, says the report, "overlap and fragmentation occur further minimizing the effectiveness of the overall federal effort. Moreover, past efforts at coordination have failed largely because of 'turf' conflicts inherent to the federal program system." (p. 34)

A major conclusion of the report is that "the bureaucracy cannot be trusted to reform itself without some kind of instrumentality to track and oversee the change. History abounds with recommendations made by past commissions which only gather dust in libraries. There are also many examples of past public policies becoming institutionalized within the federal government, each with its funded constituency, each with a categorical solution, and each

* These are preliminary data provided by Herbert Fellman and Ray Palmer of the Department of Labor, Employment and Training Administration, November 1988.

contributing to a distortion of economic reality." (p. 34)

V. Summary, Conclusions, and Recommendations

In summary, the review of the literature and dicussions with various individuals within federal agencies and Indian interest groups indicate that:

- The history of changes in U.S. Indian policy have had a negative impact on the ability of Indians, both those on reservations and those off reservations, to achieve economic self-sufficency.

- Today, the American Indian population of over 1.4 million is the most economically disadvantaged ethnic group in the United States, experiencing rates of unemployment in the 40-50 percent range with rates much higher on some reservations. Indians experience a serious shortage of job opportunities on the reservation and are not adequately prepared through education and training for what few jobs exist on or off reservations. Off-reservation Indians also experience high rates of unemployment and have difficulty in obtaining services once they leave the reservation.

- Compared to non-Indians, reservation Indians suffer from poorer housing, poorer health, and a lack of adequate transportation which contributes to their being unable to make economic progress.

- There are a large number of federal programs for Indians ranging in assistance from housing, health, and transportation services to education and training for jobs. Most Indian programs are administered by the Bureau of Indian Affairs several of which are job-related education and training programs for adults and children. The major training program in the Department of Labor is the Job Training Partnership Act Title IV-A program, which provides for national programs of employment and training for Native Americans. Indians are also served in the JTPA summer youth program (title II-B), in JTPA adult and youth programs (Title II-A), the Job Corps and dislocated worker programs. A lack of available private sector jobs on reservations is a major difficulty for all reservation training programs.

- The programs in a host of federal departments and agencies which provide services to Indians have a high degree of overlap and fragmentation. The structure of these programs is such that their categorical nature makes it difficult for programs to succeed. Also, past efforts at coordination have failed in

part because of 'turf' conflicts within the federal program system.

- Measuring the extent of employment and poverty among Indians, as well as the progress of federal programs for them, have been hindered by gaps and inaccuracies in the data. The basic reason for the unreliable data is that no clear cut definition of "Indian" exists. Various levels of government have different criteria for identifying a person as an Indian. Compounding the problem is the fragmented jurisdiction over Indians and the absence of a central clearinghouse for the data that do exist. Even within the federal government, the Bureau of Indian Affairs and the Census Bureau use different criteria for measuring unemployment among Indians.

- The two most recent major studies of this target group were the 1977 final report of the American Indian Policy Review Commission, established by the Congress, and the 1984 report of the Presidential Commission on Indian Reservation Economies, established by Executive Order. Despite the hundreds of recommendations made in these two reports very few have become implemented through legislation.

Recommendations

1. In recognition of the continued sorry state of Indians and other Native Americans and in view of the fact that the 1977 and 1984 studies have not resulted in major legislative changes to improve the plight of this group, it is recommended that the Congress hold hearings to consider the findings and recommendations made in the 1977 report of the AIPRC and the 1984 Presidential Commission report and enact legislation for the implementation of those recommendations still considered relevant to improving the economic position of Indians.

2. As pointed out in the 1977 and 1984 reports, and by many other studies, improving the quality, quantity, and timeliness of statistics on Indian and other Native Americans must be given high priority. Therefore, it is recommended that as part of the legislation that results from the congressional hearings an independent panel be established to study methods of improving the collection, compilation and dissemination of such data to permit rational decision making concerning Indian policy, program planning, administration and evaluation. Upon completion of the panel's report, the President or the Congress should establish at an early date an inter-agency committee to consider how to implement the recommendations by the panel on Indian statistics. It is further recommended that the committee be composed of top policy makers within the key agencies that produce the statistics, as well as top policy makers in those agencies that use the data for funding allocations and the management and evaluation of Indian programs.

3. Because of the lack of coordination of federal programs to assist Indians it is also recommended that the legislation that results from the congressional hearings include efforts to improve the coordination of programs within the federal government and among Indian tribes.

4. Finally, it is recommended that the National Commission for Employment Policy, under its own initiative, undertake a study, which would include regional hearings, to determine the extent to which and how well JTPA programs are serving Indians and investigate what the role of JTPA should be in serving this group.

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Interviews/Meetings

The following individuals were contacted in the course of preparing this paper:

Herbert Feldman, DOL, to discuss DOL programmatic activities and the status of the Indian Advisory Committee (August 1988); for PY 87 funding amounts and number served in Native American programs (Title IV-A) and Summer Youth program (II-B). (November 1988).

Hazel Elbert, Deputy to the Assistant Secretary - Indian Affairs (Tribal Services), to learn of sources of information in the BIA. (September 1988).

Bob Delaware, Chief, Employment Assistance Programs, BIA, to discuss job-related programs available to Indians. (October and November 1988).

Edna Paisano, Bureau of the Census, for population and labor force counts. (September and October 1988).

Debbie Carroll, Bureau of the Census, for population and labor force information. (October 1988).

Claudette Bennett, Bureau of the Census, for tables on labor force characteristics. (September 1988).

June Cowles, Bureau of the Census, for tables on labor force characteristics. (September 1988).

Sar Levitan, for published information on the subject. (September 1988).

Fred Romero, SER-Jobs for Progress, for contacts and sources of information. (September 1988).

Herman Narcho, DOL, for contacts and sources of information. (September 1988).

LaDonna Harris, American Indian Opportunity, for information on the labor market problems on the reservations. (September 1988).

John Mongavero, Senate Subcommittee on Indian Affairs, for information on the American Indian Policy Review Commission report. (September 1988).

Diana Loper, Office of Financial Management, BIA, to discuss Indian service population and labor force statistics published by the BIA dated January 1987. (November 1988).

Ervin Keith, Support Services, Elementary and Secondary Programs, Department of Education, regarding current programs. (November 1988).

Rudy Munis, Office of Bilingual Education and Minority Languages Affairs, Department of Education, for information on federal programs of bilingual education for Native Americans. (November 1988).

Brian Stacy, Office of Elementary and Secondary Education, Office of Education, Department of Education, regarding bilingual education for Native Americans. (November 1988).

Kathy Summner, Public Affairs, Minority Business Development Administration, Department of Commerce, regarding small business programs for Indians. (November 1988).

Nancy Beckley, DOL, ETA, for number served in Adult and Youth programs (title II-A), Job Corps, and dislocated worker programs. (November 1988).

Paul Fraim, BLS, DOL, for availability of data for Indians from BLS (November 1988).

Ray Palmer, ETA, DOL, for PY 87 JTPA data for Title II-A, IV-B, and Title III programs. (November 1988).

Rudy Beserra, The White House, to discuss the extent to which the recommendations in the 1977 American Indian Policy Review Commission report and the 1984 report by the Presidential Commission on Indian Reservation Economies were implemented. (November 1988).

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